

State of Wisconsin  
2009 - 2010 LEGISLATURE

LRB-1116/P2

JK:jld:rs

DMR<sup>TWLj</sup>

DOA:.....Miner, BB0260 - Meat processing facility tax credit

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

in 1-30-09

D-N

DoNot Gen

1 AN ACT ...; relating to: the budget.

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*Analysis by the Legislative Reference Bureau*

**TAXATION**

**INCOME TAXATION**

Under current law, a person may claim an income and franchise tax credit for 10 percent of the amount that the person paid in the taxable year for dairy manufacturing modernization and expansion related to the person's dairy manufacturing operation. This bill provides an income and franchise tax credit for 10 percent of the amount that a person pays in the taxable year for meat processing modernization or expansion related to the person's meat processing operation.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2 SECTION 1. 20.835 (2) (bd) of the statutes is created to read:

3 20.835 (2) (bd) *Meat processing facility investment credit.* A sum sufficient to

4 make the payments under ss. 71.07 (3r), 71.28 (3r), and 71.47 (3r).

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

**SECTION 2.** 71.05 (6) (a) 15. of the statutes is amended to read:

71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3h), (3n), (3p), (3r), (3s), (3t), (3w), (5e), (5f), (5h), (5i), (5j), and (5k) and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

**SECTION 3.** 71.07 (3r) of the statutes is created to read:

71.07 (3r) MEAT PROCESSING FACILITY INVESTMENT CREDIT. (a) *Definitions.* In this subsection:

1. "Claimant" means a person who files a claim under this subsection.

2. "Meat processing" means processing livestock into meat products or processing meat products for sale commercially.

3. "Meat processing modernization or expansion" means constructing, improving, or acquiring buildings or facilities, or acquiring equipment, for meat processing, including the following, if used exclusively for meat processing and if acquired and placed in service in this state during taxable years that begin after December 31, 2008, and before January 1, 2017:

a. Building construction, including livestock handling, product intake, storage, and warehouse facilities.

b. Building additions.

c. Upgrades to utilities, including water, electric, heat, refrigeration, freezing, and waste facilities.

1 d. Livestock intake and storage equipment.

2 e. Processing and manufacturing equipment, including cutting equipment,  
3 mixers, grinders, sausage stuffers, meat smokers, curing equipment, cooking  
4 equipment, pipes, motors, pumps, and valves.

5 f. Packaging and handling equipment, including sealing, bagging, boxing,  
6 labeling, conveying, and product movement equipment.

7 g. Warehouse equipment, including storage and curing racks.

8 h. Waste treatment and waste management equipment, including tanks,  
9 blowers, separators, dryers, digesters, and equipment that uses waste to produce  
10 energy, fuel, or industrial products.

11 i. Computer software and hardware used for managing the claimant's meat  
12 processing operation, including software and hardware related to logistics,  
13 inventory management, production plant controls, and temperature monitoring  
14 controls.

15 4. "Used exclusively" means used to the exclusion of all other uses except for  
16 use not exceeding 5 percent of total use.

17 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.

18 560.208, for taxable years beginning after December 31, 2008, and before January  
19 1, 2017, a claimant may claim as a credit against the taxes imposed under s. 71.02  
20 or 71.08, up to the amount of the tax, an amount equal to 10 percent of the amount  
21 the claimant paid in the taxable year for meat processing modernization or  
22 expansion related to the claimant's meat processing operation.

23 (c) *Limitations.* 1. No credit may be allowed under this subsection for any  
24 amount that the claimant paid for expenses described under par. (b) that the  
25 claimant also claimed as a deduction under section 162 of the Internal Revenue Code.

1           2. The aggregate amount of credits that a claimant may claim under this  
2 subsection is \$200,000.

3           3. a. The maximum amount of the credits that may be allocated under this  
4 subsection and ss. 71.28 (3r) and 71.47 (3r) in fiscal year 2009-10 is \$300,000, as  
5 allocated under s. ~~560.208~~ 560.209 ✓

6           b. The maximum amount of the credits that may be allocated under this  
7 subsection and ss. 71.28 (3r) and 71.47 (3r) in fiscal year 2010-11, and in each fiscal  
8 year thereafter, is \$700,000, as allocated under s. ~~560.208~~ 560.209 ✓

9           4. Partnerships, limited liability companies, and tax-option corporations may  
10 not claim the credit under this subsection, but the eligibility for, and the amount of,  
11 the credit are based on their payment of expenses under par. (b), except that the  
12 aggregate amount of credits that the entity may compute shall not exceed \$200,000.  
13 A partnership, limited liability company, or tax-option corporation shall compute  
14 the amount of credit that each of its partners, members, or shareholders may claim  
15 and shall provide that information to each of them. Partners, members of limited  
16 liability companies, and shareholders of tax-option corporations may claim the  
17 credit in proportion to their ownership interest.

18           5. If 2 or more persons own and operate the meat processing operation, each  
19 person may claim a credit under par. (b) in proportion to his or her ownership  
20 interest, except that the aggregate amount of the credits claimed by all persons who  
21 own and operate the meat processing operation shall not exceed \$200,000.

22           6. No credit may be allowed under this subsection unless the claimant submits  
23 with the claimant's return a copy of the claimant's credit certification and allocation  
24 under s. ~~560.208~~ 560.209 ✓

(d) *Administration.* 1. Section 71.28 (4) (e), (g), and (h), as it applies to the credit under s. 71.28 (4), applies to the credit under this subsection.

2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise due under s. 71.02 or 71.08, the amount of the claim not used to offset the tax due shall be certified by the department of revenue to the department of administration for payment by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (bd).

**SECTION 4.** 71.08 (1) (intro.) of the statutes is amended to read:

71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married couple filing jointly, trust, or estate under s. 71.02, not considering the credits under ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3n), (3p), (3r), (3s), (3t), (3w), (5b), (5d), (5e), (5f), (6), (6e), and (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m), (3), (3n), (3t), and (3w), and 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m), (3), (3n), (3t), and (3w), and subchs. VIII and IX and payments to other states under s. 71.07 (7), is less than the tax under this section, there is imposed on that natural person, married couple filing jointly, trust or estate, instead of the tax under s. 71.02, an alternative minimum tax computed as follows:

**SECTION 5.** 71.10 (4) (i) of the statutes is amended to read:

71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland preservation credit under subch. IX, homestead credit under subch. VIII, farmland tax relief credit under s. 71.07 (3m), farmers' drought property tax credit under s. 71.07 (2fd), dairy manufacturing facility investment credit under s. 71.07 (3p), meat processing facility investment credit under s. 71.07 (3r), film production services credit under s. 71.07 (5f) (b) 2., ~~veterans and surviving spouses property tax credit~~

1 under s. 71.07 (6e), enterprise zone jobs credit under s. 71.07 (3w), earned income tax  
2 credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld  
3 under subch. X.

4 **SECTION 6.** 71.21 (4) of the statutes is amended to read:

5 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di),  
6 (2dj), (2dL), (2dm), (2ds), (2dx), (3g), (3h), (3n), (3p), (3r), (3s), (3t), (3w), (5e), (5f), (5g),  
7 (5h), (5i), (5j), and (5k) and passed through to partners shall be added to the  
8 partnership's income.

9 **SECTION 7.** 71.26 (2) (a) 4. of the statutes is amended to read:

10 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),  
11 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3g), (3h), (3n), (3p), (3r), (3t), (3w), (5e),  
12 (5f), (5g), (5h), (5i), (5j), and (5k) and not passed through by a partnership, limited  
13 liability company, or tax-option corporation that has added that amount to the  
14 partnership's, limited liability company's, or tax-option corporation's income under  
15 s. 71.21 (4) or 71.34 (1k) (g).

16 **SECTION 8.** 71.28 (3r) of the statutes is created to read:

17 71.28 (3r) MEAT PROCESSING FACILITY INVESTMENT CREDIT. (a) *Definitions.* In this  
18 subsection:

19 1. "Claimant" means a person who files a claim under this subsection.

20 2. "Meat processing" means processing livestock into meat products or  
21 processing meat products for sale commercially.

22 3. "Meat processing modernization or expansion" means constructing,  
23 improving, or acquiring buildings or facilities, or acquiring equipment, for meat  
24 processing, including the following, if used exclusively for meat processing and if

1 acquired and placed in service in this state during taxable years that begin after  
2 December 31, 2008, and before January 1, 2017:

3 a. Building construction, including livestock handling, product intake, storage,  
4 and warehouse facilities.

5 b. Building additions.

6 c. Upgrades to utilities, including water, electric, heat, refrigeration, freezing,  
7 and waste facilities.

8 d. Livestock intake and storage equipment.

9 e. Processing and manufacturing equipment, including cutting equipment,  
10 mixers, grinders, sausage stuffers, meat smokers, curing equipment, cooking  
11 equipment, pipes, motors, pumps, and valves.

12 f. Packaging and handling equipment, including sealing, bagging, boxing,  
13 labeling, conveying, and product movement equipment.

14 g. Warehouse equipment, including storage and curing racks.

15 h. Waste treatment and waste management equipment, including tanks,  
16 blowers, separators, dryers, digesters, and equipment that uses waste to produce  
17 energy, fuel, or industrial products.

18 i. Computer software and hardware used for managing the claimant's meat  
19 processing operation, including software and hardware related to logistics,  
20 inventory management, production plant controls, and temperature monitoring  
21 controls.

22 4. "Used exclusively" means used to the exclusion of all other uses except for  
23 use not exceeding 5 percent of total use.

24 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.  
25 560.208, for taxable years beginning after December 31, 2008, and before January

*560.208*

1 1, 2017, a claimant may claim as a credit against the taxes imposed under s. 71.23,  
2 up to the amount of the tax, an amount equal to 10 percent of the amount the  
3 claimant paid in the taxable year for meat processing modernization or expansion  
4 related to the claimant's meat processing operation.

5 (c) *Limitations.* 1. No credit may be allowed under this subsection for any  
6 amount that the claimant paid for expenses described under par. (b) that the  
7 claimant also claimed as a deduction under section 162 of the Internal Revenue Code.

8 2. The aggregate amount of credits that a claimant may claim under this  
9 subsection is \$200,000.

10 3. a. The maximum amount of the credits that may be allocated under this  
11 subsection and ss. 71.07 (3r) and 71.47 (3r) in fiscal year 2009-10 is \$300,000, as  
12 allocated under s. ~~560.208~~ *560.209*

13 b. The maximum amount of the credits that may be allocated under this  
14 subsection and ss. 71.07 (3r) and 71.47 (3r) in fiscal year 2010-11, and in each fiscal  
15 year thereafter, is \$700,000, as allocated under s. ~~560.208~~ *560.209*

16 4. Partnerships, limited liability companies, and tax-option corporations may  
17 not claim the credit under this subsection, but the eligibility for, and the amount of,  
18 the credit are based on their payment of expenses under par. (b), except that the  
19 aggregate amount of credits that the entity may compute shall not exceed \$200,000.  
20 A partnership, limited liability company, or tax-option corporation shall compute  
21 the amount of credit that each of its partners, members, or shareholders may claim  
22 and shall provide that information to each of them. Partners, members of limited  
23 liability companies, and shareholders of tax-option corporations may claim the  
24 credit in proportion to their ownership interest.



1           5. If 2 or more persons own and operate the meat processing operation, each  
2 person may claim a credit under par. (b) in proportion to his or her ownership  
3 interest, except that the aggregate amount of the credits claimed by all persons who  
4 own and operate the meat processing operation shall not exceed \$200,000.

5           6. No credit may be allowed under this subsection unless the claimant submits  
6 with the claimant's return a copy of the claimant's credit certification and allocation  
7 under s. ~~560.208~~ *560.209*

8           (d) *Administration*. 1. Subsection (4) (e), (g), and (h), as it applies to the credit  
9 under sub. (4), applies to the credit under this subsection.

10           2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise  
11 due under s. 71.23, the amount of the claim not used to offset the tax due shall be  
12 certified by the department of revenue to the department of administration for  
13 payment by check, share draft, or other draft drawn from the appropriation account  
14 under s. 20.835 (2) (bd).

15       **SECTION 9.** ~~71.30 (3) (f)~~ of the statutes is amended to read:

16           71.30 (3) (f) The total of farmers' drought property tax credit under s. 71.28  
17 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under  
18 s. 71.28 (2m), dairy manufacturing facility investment credit under s. 71.28 (3p),  
19 meat processing facility investment credit under s. 71.28 (3r), enterprise zone jobs  
20 credit under s. 71.28 (3w), film production services credit under s. 71.28 (5f) (b) 2.,  
21 and estimated tax payments under s. 71.29.

22       **SECTION 10.** 71.34 (1k) (g) of the statutes is amended to read:

23           71.34 (1k) (g) An addition shall be made for credits computed by a tax-option  
24 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (3), (3g),

(3h), (3n), (3p), (3r), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), and (5k) and passed through to shareholders.

**SECTION 11.** 71.45 (2) (a) 10. of the statutes is amended to read:

71.45 (2) (a) 10. By adding to federal taxable income the amount of credit computed under s. 71.47 (1dd) to (1dx), (3h), (3n), (3p), (3r), (3w), (5e), (5f), (5g), (5h), (5i), (5j), and (5k) and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership's, limited liability company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) ~~(g) and the amount of credit computed under s. 71.47 (1), (3), (3t), (4), and (5).~~

**SECTION 12.** 71.47 (3r) of the statutes is created to read:

71.47 (3r) MEAT PROCESSING FACILITY INVESTMENT CREDIT. (a) *Definitions.* In this subsection:

1. "Claimant" means a person who files a claim under this subsection.

2. "Meat processing" means processing livestock into meat products or processing meat products for sale commercially.

3. "Meat processing modernization or expansion" means constructing, improving, or acquiring buildings or facilities, or acquiring equipment, for meat processing, including the following, if used exclusively for meat processing and if acquired and placed in service in this state during taxable years that begin after December 31, 2008, and before January 1, 2017:

a. Building construction, including livestock handling, product intake, storage, and warehouse facilities.

b. Building additions.

c. Upgrades to utilities, including water, electric, heat, refrigeration, freezing, and waste facilities.

1 d. Livestock intake and storage equipment.

2 e. Processing and manufacturing equipment, including cutting equipment,  
3 mixers, grinders, sausage stuffers, meat smokers, curing equipment, cooking  
4 equipment, pipes, motors, pumps, and valves.

5 f. Packaging and handling equipment, including sealing, bagging, boxing,  
6 labeling, conveying, and product movement equipment.

7 g. Warehouse equipment, including storage and curing racks.

8 h. Waste treatment and waste management equipment, including tanks,  
9 blowers, separators, dryers, digesters, and equipment that uses waste to produce  
10 energy, fuel, or industrial products.

11 i. Computer software and hardware used for managing the claimant's meat  
12 processing operation, including software and hardware related to logistics,  
13 inventory management, production plant controls, and temperature monitoring  
14 controls.

15 4. "Used exclusively" means used to the exclusion of all other uses except for  
16 use not exceeding 5 percent of total use.

17 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.  
18 560.208, for taxable years beginning after December 31, 2008, and before January  
19 1, 2017, a claimant may claim as a credit against the taxes imposed under s. 71.43,  
20 up to the amount of the tax, an amount equal to 10 percent of the amount the  
21 claimant paid in the taxable year for meat processing modernization or expansion  
22 related to the claimant's meat processing operation.

23 (c) *Limitations.* 1. No credit may be allowed under this subsection for any  
24 amount that the claimant paid for expenses described under par. (b) that the  
25 claimant also claimed as a deduction under section 162 of the Internal Revenue Code.

1           2. The aggregate amount of credits that a claimant may claim under this  
2 subsection is \$200,000.

3           3. a. The maximum amount of the credits that may be allocated under this  
4 subsection and ss. 71.07 (3r) and 71.28 (3r) in fiscal year 2009-10 is \$300,000, as  
5 allocated under s. 560.208. 560209

6           b. The maximum amount of the credits that may be allocated under this  
7 subsection and ss. 71.07 (3r) and 71.28 (3r) in fiscal year 2010-11, and in each fiscal  
8 year thereafter, is \$700,000, as allocated under s. 560.208. 560209

9           4. Partnerships, limited liability companies, and tax-option corporations may  
10 not claim the credit under this subsection, but the eligibility for, and the amount of,  
11 the credit are based on their payment of expenses under par. (b), except that the  
12 aggregate amount of credits that the entity may compute shall not exceed \$200,000.  
13 A partnership, limited liability company, or tax-option corporation shall compute  
14 the amount of credit that each of its partners, members, or shareholders may claim  
15 and shall provide that information to each of them. Partners, members of limited  
16 liability companies, and shareholders of tax-option corporations may claim the  
17 credit in proportion to their ownership interest.

18           5. If 2 or more persons own and operate the meat processing operation, each  
19 person may claim a credit under par. (b) in proportion to his or her ownership  
20 interest, except that the aggregate amount of the credits claimed by all persons who  
21 own and operate the meat processing operation shall not exceed \$200,000.

22           6. No credit may be allowed under this subsection unless the claimant submits  
23 with the claimant's return a copy of the claimant's credit certification and allocation  
24 under s. 560.208. 560209

1 (d) *Administration*. 1. Section 71.28 (4) (e), (g), and (h), as it applies to the  
2 credit under s. 71.28 (4), applies to the credit under this subsection.


3 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise  
4 due under s. 71.43, the amount of the claim not used to offset the tax due shall be  
5 certified by the department of revenue to the department of administration for  
6 payment by check, share draft, or other draft drawn from the appropriation account  
7 under s. 20.835 (2) (bd).

8 **SECTION 13.** 71.49 (1) (f) of the statutes is amended to read:

9 71.49 (1) (f) The total of farmers' drought property tax credit under s. 71.47  
10 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under  
11 s. 71.47 (2m), dairy manufacturing facility investment credit under s. 71.47 (3p),  
12 meat processing facility investment credit under s. 71.47 (3r), enterprise zone jobs  
13 credit under s. 71.47 (3w), film production services credit under s. 71.47 (5f) (b) 2.,  
14 and estimated tax payments under s. 71.48.

15 **SECTION 14.** 77.92 (4) of the statutes is amended to read:

16 77.92 (4) "Net business income," with respect to a partnership, means taxable  
17 income as calculated under section 703 of the Internal Revenue Code; plus the items  
18 of income and gain under section 702 of the Internal Revenue Code, including taxable  
19 state and municipal bond interest and excluding nontaxable interest income or  
20 dividend income from federal government obligations; minus the items of loss and  
21 deduction under section 702 of the Internal Revenue Code, except items that are not  
22 deductible under s. 71.21; plus guaranteed payments to partners under section 707  
23 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),  
24 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3h), ~~(3s)~~, (3n), (3p), (3r), (3s), (3t),  
25 (3w), (5e), (5f), (5g), (5h), (5i), (5j), and (5k); and plus or minus, as appropriate,



transitional adjustments, depreciation differences, and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding income, gain, loss, and deductions from farming. "Net business income," with respect to a natural person, estate, or trust, means profit from a trade or business for federal income tax purposes and includes net income derived as an employee as defined in section 3121 (d) (3) of the Internal Revenue Code.

SECTION 15. 560.208 of the statutes is created to read:

**560.208 Meat processing facility investment credit.** (1) The department of commerce shall implement a program to certify taxpayers as eligible for the meat processing facility investment credit under ss. 71.07 (3r), 71.28 (3r), and 71.47 (3r).

(2) If the department of commerce certifies a taxpayer under sub. (1), the department of commerce shall determine the amount of credits to allocate to that taxpayer. The total amount of meat processing facility investment credits allocated to taxpayers in fiscal year 2009-10 may not exceed \$300,000 and the total amount of meat processing facility investment credits allocated to taxpayers in fiscal year 2010-11, and in each fiscal year thereafter, may not exceed \$700,000.

(3) The department of commerce shall inform the department of revenue of every taxpayer certified under sub. (1) and the amount of credits allocated to the taxpayer.

(4) The department of commerce, in consultation with the department of revenue, shall promulgate rules to administer this section.

(END)

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1116/P3dn

JK:jd/rs

wlj

Date

<sup>/p2</sup> This draft reconciles LRB-1116<sup>/p15</sup>, LRB-1280<sup>/2</sup> and LRB-1319<sup>/2</sup>. All of these drafts should continue to appear in the compiled bill.

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**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

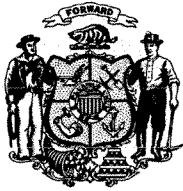
LRB-1116/P3dn  
JK:wlj:md

January 30, 2009

This draft reconciles LRB-1116/P2, LRB-1280/P1, and LRB-1319/2. All of these drafts should continue to appear in the compiled bill.

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State of Wisconsin  
2009 - 2010 LEGISLATURE

LRB-1116/P3  
JK:jld&wlj:md

DOA:.....Miner, BB0260 - Meat processing facility tax credit

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

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*Analysis by the Legislative Reference Bureau*

**TAXATION**

**INCOME TAXATION**

Under current law, a person may claim an income and franchise tax credit for 10 percent of the amount that the person paid in the taxable year for dairy manufacturing modernization and expansion related to the person's dairy manufacturing operation. This bill provides an income and franchise tax credit for 10 percent of the amount that a person pays in the taxable year for meat processing modernization or expansion related to the person's meat processing operation.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2 SECTION 1. 20.835 (2) (bd) of the statutes is created to read:

3 20.835 (2) (bd) *Meat processing facility investment credit.* A sum sufficient to  
4 make the payments under ss. 71.07 (3r), 71.28 (3r), and 71.47 (3r).

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

**SECTION 2.** 71.07 (3r) of the statutes is created to read:

**71.07 (3r) MEAT PROCESSING FACILITY INVESTMENT CREDIT.** (a) *Definitions.* In this subsection:

1. "Claimant" means a person who files a claim under this subsection.

2. "Meat processing" means processing livestock into meat products or processing meat products for sale commercially.

3. "Meat processing modernization or expansion" means constructing, improving, or acquiring buildings or facilities, or acquiring equipment, for meat processing, including the following, if used exclusively for meat processing and if acquired and placed in service in this state during taxable years that begin after December 31, 2008, and before January 1, 2017:

a. Building construction, including livestock handling, product intake, storage, and warehouse facilities.

b. Building additions.

c. Upgrades to utilities, including water, electric, heat, refrigeration, freezing, and waste facilities.

d. Livestock intake and storage equipment.

e. Processing and manufacturing equipment, including cutting equipment, mixers, grinders, sausage stuffers, meat smokers, curing equipment, cooking equipment, pipes, motors, pumps, and valves.

f. Packaging and handling equipment, including sealing, bagging, boxing, labeling, conveying, and product movement equipment.

g. Warehouse equipment, including storage and curing racks.

1           h. Waste treatment and waste management equipment, including tanks,  
2           blowers, separators, dryers, digesters, and equipment that uses waste to produce  
3           energy, fuel, or industrial products.

4           i. Computer software and hardware used for managing the claimant's meat  
5           processing operation, including software and hardware related to logistics,  
6           inventory management, production plant controls, and temperature monitoring  
7           controls.

8           4. "Used exclusively" means used to the exclusion of all other uses except for  
9           use not exceeding 5 percent of total use.

10          (b) *Filing claims.* Subject to the limitations provided in this subsection and s.  
11          560.209, for taxable years beginning after December 31, 2008, and before January  
12          1, 2017, a claimant may claim as a credit against the taxes imposed under s. 71.02  
13          or 71.08, up to the amount of the tax, an amount equal to 10 percent of the amount  
14          the claimant paid in the taxable year for meat processing modernization or  
15          expansion related to the claimant's meat processing operation.

16          (c) *Limitations.* 1. No credit may be allowed under this subsection for any  
17          amount that the claimant paid for expenses described under par. (b) that the  
18          claimant also claimed as a deduction under section 162 of the Internal Revenue Code.

19          2. The aggregate amount of credits that a claimant may claim under this  
20          subsection is \$200,000.

21          3. a. The maximum amount of the credits that may be allocated under this  
22          subsection and ss. 71.28 (3r) and 71.47 (3r) in fiscal year 2009-10 is \$300,000, as  
23          allocated under s. 560.209.

1           b. The maximum amount of the credits that may be allocated under this  
2 subsection and ss. 71.28 (3r) and 71.47 (3r) in fiscal year 2010-11, and in each fiscal  
3 year thereafter, is \$700,000, as allocated under s. 560.209.

4           4. Partnerships, limited liability companies, and tax-option corporations may  
5 not claim the credit under this subsection, but the eligibility for, and the amount of,  
6 the credit are based on their payment of expenses under par. (b), except that the  
7 aggregate amount of credits that the entity may compute shall not exceed \$200,000.  
8 A partnership, limited liability company, or tax-option corporation shall compute  
9 the amount of credit that each of its partners, members, or shareholders may claim  
10 and shall provide that information to each of them. Partners, members of limited  
11 liability companies, and shareholders of tax-option corporations may claim the  
12 credit in proportion to their ownership interest.

13           5. If 2 or more persons own and operate the meat processing operation, each  
14 person may claim a credit under par. (b) in proportion to his or her ownership  
15 interest, except that the aggregate amount of the credits claimed by all persons who  
16 own and operate the meat processing operation shall not exceed \$200,000.

17           6. No credit may be allowed under this subsection unless the claimant submits  
18 with the claimant's return a copy of the claimant's credit certification and allocation  
19 under s. 560.209.

20           (d) *Administration.* 1. Section 71.28 (4) (e), (g), and (h), as it applies to the  
21 credit under s. 71.28 (4), applies to the credit under this subsection.

22           2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise  
23 due under s. 71.02 or 71.08, the amount of the claim not used to offset the tax due  
24 shall be certified by the department of revenue to the department of administration

1 for payment by check, share draft, or other draft drawn from the appropriation  
2 account under s. 20.835 (2) (bd).

3 **SECTION 3.** 71.28 (3r) of the statutes is created to read:

4 **71.28 (3r) MEAT PROCESSING FACILITY INVESTMENT CREDIT.** (a) *Definitions.* In this  
5 subsection:

6 1. "Claimant" means a person who files a claim under this subsection.

7 2. "Meat processing" means processing livestock into meat products or  
8 processing meat products for sale commercially.

9 3. "Meat processing modernization or expansion" means constructing,  
10 improving, or acquiring buildings or facilities, or acquiring equipment, for meat  
11 processing, including the following, if used exclusively for meat processing and if  
12 acquired and placed in service in this state during taxable years that begin after  
13 December 31, 2008, and before January 1, 2017:

14 a. Building construction, including livestock handling, product intake, storage,  
15 and warehouse facilities.

16 b. Building additions.

17 c. Upgrades to utilities, including water, electric, heat, refrigeration, freezing,  
18 and waste facilities.

19 d. Livestock intake and storage equipment.

20 e. Processing and manufacturing equipment, including cutting equipment,  
21 mixers, grinders, sausage stuffers, meat smokers, curing equipment, cooking  
22 equipment, pipes, motors, pumps, and valves.

23 f. Packaging and handling equipment, including sealing, bagging, boxing,  
24 labeling, conveying, and product movement equipment.

25 g. Warehouse equipment, including storage and curing racks.

1           h. Waste treatment and waste management equipment, including tanks,  
2           blowers, separators, dryers, digesters, and equipment that uses waste to produce  
3           energy, fuel, or industrial products.

4           i. Computer software and hardware used for managing the claimant's meat  
5           processing operation, including software and hardware related to logistics,  
6           inventory management, production plant controls, and temperature monitoring  
7           controls.

8           4. "Used exclusively" means used to the exclusion of all other uses except for  
9           use not exceeding 5 percent of total use.

10          (b) *Filing claims.* Subject to the limitations provided in this subsection and s.  
11          560.209, for taxable years beginning after December 31, 2008, and before January  
12          1, 2017, a claimant may claim as a credit against the taxes imposed under s. 71.23,  
13          up to the amount of the tax, an amount equal to 10 percent of the amount the  
14          claimant paid in the taxable year for meat processing modernization or expansion  
15          related to the claimant's meat processing operation.

16          (c) *Limitations.* 1. No credit may be allowed under this subsection for any  
17          amount that the claimant paid for expenses described under par. (b) that the  
18          claimant also claimed as a deduction under section 162 of the Internal Revenue Code.

19          2. The aggregate amount of credits that a claimant may claim under this  
20          subsection is \$200,000.

21          3. a. The maximum amount of the credits that may be allocated under this  
22          subsection and ss. 71.07 (3r) and 71.47 (3r) in fiscal year 2009-10 is \$300,000, as  
23          allocated under s. 560.209.

1           b. The maximum amount of the credits that may be allocated under this  
2 subsection and ss. 71.07 (3r) and 71.47 (3r) in fiscal year 2010-11, and in each fiscal  
3 year thereafter, is \$700,000, as allocated under s. 560.209.

4           4. Partnerships, limited liability companies, and tax-option corporations may  
5 not claim the credit under this subsection, but the eligibility for, and the amount of,  
6 the credit are based on their payment of expenses under par. (b), except that the  
7 aggregate amount of credits that the entity may compute shall not exceed \$200,000.  
8 A partnership, limited liability company, or tax-option corporation shall compute  
9 the amount of credit that each of its partners, members, or shareholders may claim  
10 and shall provide that information to each of them. Partners, members of limited  
11 liability companies, and shareholders of tax-option corporations may claim the  
12 credit in proportion to their ownership interest.

13           5. If 2 or more persons own and operate the meat processing operation, each  
14 person may claim a credit under par. (b) in proportion to his or her ownership  
15 interest, except that the aggregate amount of the credits claimed by all persons who  
16 own and operate the meat processing operation shall not exceed \$200,000.

17           6. No credit may be allowed under this subsection unless the claimant submits  
18 with the claimant's return a copy of the claimant's credit certification and allocation  
19 under s. 560.209.

20           (d) *Administration.* 1. Subsection (4) (e), (g), and (h), as it applies to the credit  
21 under sub. (4), applies to the credit under this subsection.

22           2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise  
23 due under s. 71.23, the amount of the claim not used to offset the tax due shall be  
24 certified by the department of revenue to the department of administration for

1 payment by check, share draft, or other draft drawn from the appropriation account  
2 under s. 20.835 (2) (bd).

3 **SECTION 4.** 71.47 (3r) of the statutes is created to read:

4 **71.47 (3r) MEAT PROCESSING FACILITY INVESTMENT CREDIT.** (a) *Definitions.* In this  
5 subsection:

6 1. "Claimant" means a person who files a claim under this subsection.

7 2. "Meat processing" means processing livestock into meat products or  
8 processing meat products for sale commercially.

9 3. "Meat processing modernization or expansion" means constructing,  
10 improving, or acquiring buildings or facilities, or acquiring equipment, for meat  
11 processing, including the following, if used exclusively for meat processing and if  
12 acquired and placed in service in this state during taxable years that begin after  
13 December 31, 2008, and before January 1, 2017:

14 a. Building construction, including livestock handling, product intake, storage,  
15 and warehouse facilities.

16 b. Building additions.

17 c. Upgrades to utilities, including water, electric, heat, refrigeration, freezing,  
18 and waste facilities.

19 d. Livestock intake and storage equipment.

20 e. Processing and manufacturing equipment, including cutting equipment,  
21 mixers, grinders, sausage stuffers, meat smokers, curing equipment, cooking  
22 equipment, pipes, motors, pumps, and valves.

23 f. Packaging and handling equipment, including sealing, bagging, boxing,  
24 labeling, conveying, and product movement equipment.

25 g. Warehouse equipment, including storage and curing racks.



1           h. Waste treatment and waste management equipment, including tanks,  
2           blowers, separators, dryers, digesters, and equipment that uses waste to produce  
3           energy, fuel, or industrial products.

4           i. Computer software and hardware used for managing the claimant's meat  
5           processing operation, including software and hardware related to logistics,  
6           inventory management, production plant controls, and temperature monitoring  
7           controls.

8           4. "Used exclusively" means used to the exclusion of all other uses except for  
9           use not exceeding 5 percent of total use.

10          (b) *Filing claims.* Subject to the limitations provided in this subsection and s.  
11          560.209, for taxable years beginning after December 31, 2008, and before January  
12          1, 2017, a claimant may claim as a credit against the taxes imposed under s. 71.43,  
13          up to the amount of the tax, an amount equal to 10 percent of the amount the  
14          claimant paid in the taxable year for meat processing modernization or expansion  
15          related to the claimant's meat processing operation.

16          (c) *Limitations.* 1. No credit may be allowed under this subsection for any  
17          amount that the claimant paid for expenses described under par. (b) that the  
18          claimant also claimed as a deduction under section 162 of the Internal Revenue Code.

19          2. The aggregate amount of credits that a claimant may claim under this  
20          subsection is \$200,000.

21          3. a. The maximum amount of the credits that may be allocated under this  
22          subsection and ss. 71.07 (3r) and 71.28 (3r) in fiscal year 2009-10 is \$300,000, as  
23          allocated under s. 560.209.

1           b. The maximum amount of the credits that may be allocated under this  
2 subsection and ss. 71.07 (3r) and 71.28 (3r) in fiscal year 2010-11, and in each fiscal  
3 year thereafter, is \$700,000, as allocated under s. 560.209.

4           4. Partnerships, limited liability companies, and tax-option corporations may  
5 not claim the credit under this subsection, but the eligibility for, and the amount of,  
6 the credit are based on their payment of expenses under par. (b), except that the  
7 aggregate amount of credits that the entity may compute shall not exceed \$200,000.  
8 A partnership, limited liability company, or tax-option corporation shall compute  
9 the amount of credit that each of its partners, members, or shareholders may claim  
10 and shall provide that information to each of them. Partners, members of limited  
11 liability companies, and shareholders of tax-option corporations may claim the  
12 credit in proportion to their ownership interest.

13           5. If 2 or more persons own and operate the meat processing operation, each  
14 person may claim a credit under par. (b) in proportion to his or her ownership  
15 interest, except that the aggregate amount of the credits claimed by all persons who  
16 own and operate the meat processing operation shall not exceed \$200,000.

17           6. No credit may be allowed under this subsection unless the claimant submits  
18 with the claimant's return a copy of the claimant's credit certification and allocation  
19 under s. 560.209.

20           (d) *Administration.* 1. Section 71.28 (4) (e), (g), and (h), as it applies to the  
21 credit under s. 71.28 (4), applies to the credit under this subsection.

22           2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise  
23 due under s. 71.43, the amount of the claim not used to offset the tax due shall be  
24 certified by the department of revenue to the department of administration for

1 payment by check, share draft, or other draft drawn from the appropriation account  
2 under s. 20.835 (2) (bd).

3 **SECTION 5.** 560.209 of the statutes is created to read:

4 **560.209 Meat processing facility investment credit.** (1) The department  
5 of commerce shall implement a program to certify taxpayers as eligible for the meat  
6 processing facility investment credit under ss. 71.07 (3r), 71.28 (3r), and 71.47 (3r).

7 (2) If the department of commerce certifies a taxpayer under sub. (1), the  
8 department of commerce shall determine the amount of credits to allocate to that  
9 taxpayer. The total amount of meat processing facility investment credits allocated  
10 to taxpayers in fiscal year 2009-10 may not exceed \$300,000 and the total amount  
11 of meat processing facility investment credits allocated to taxpayers in fiscal year  
12 2010-11, and in each fiscal year thereafter, may not exceed \$700,000.

13 (3) The department of commerce shall inform the department of revenue of  
14 every taxpayer certified under sub. (1) and the amount of credits allocated to the  
15 taxpayer.

16 (4) The department of commerce, in consultation with the department of  
17 revenue, shall promulgate rules to administer this section.

18 (END)